



June 17, 2010

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WEEKLY HIGHLIGHTS

Low Protein Wheat Affecting Basis, Possibly Reducing Secondary Shuttle Bids

As the U.S. winter wheat harvest starts, the abundance of low-protein content wheat is causing several concerns. The basis spread (difference in price for 12 percent protein vs. 11 percent or lower) for the low protein wheat (below 11 percent), has fallen to \$1.00 to \$1.50 per bushel lower than the high protein wheat. The fall reflects concerns about the possibility of large quantities of low protein wheat, and little on-farm storage space available. Elevators in the interior of the country had reportedly contracted for sale shuttle trains of wheat with 12 percent or above protein guaranteed and are now having difficulty finding sufficient quantities of high protein wheat. Low protein wheat may move to feed use if prices stay low. Availability of more shuttle train capacity due to this development could be a reason for lower secondary shuttle bids this week ([See Table 6](#)).

Diesel Fuel Prices Fall for the Fifth Consecutive Week

During the week ending June 14, U.S. average **diesel fuel prices** decreased 2 cents per gallon to \$2.93—1 percent lower than the previous week but 14 percent higher than the same week last year. Over the past 5 weeks, diesel fuel prices have fallen 20 cents per gallon. According to the Energy Information Administration's most recent [Short-Term Energy Outlook](#), the West Texas Intermediate (WTI) crude oil prices fluctuated considerably last month with spot prices ranging from a high of \$86 per barrel on May 3 to a low of \$65 on May 25. EIA stated that uncertainty over the global economic recovery, particularly Europe's debt crisis, the tightening of credit by China, and liquidation of futures contracts contributed to the crude price decline. EIA also lowered its projections for WTI crude oil spot prices by \$3 per barrel on average for 2010 and 2011.

Panama Canal Takes Step in Expansion Project

On June 7, the Panama Canal Authority (ACP) took a step towards realizing its goal of canal expansion by awarding a dredging contract to Dredging International N.V. The contract involves the widening and deepening of the existing navigational channel by dredging approximately 4.6 million cubic meters from the northernmost reaches of the canal. This contract is one component in ACP's Fresh Water Dredging and Excavation Project that includes the dredging and excavation of about 30 million cubic meters in Gatun Lake and Gillard Cut (the narrowest stretch of the canal). Upon completion, the canal expansion will include a new lane of traffic and a new set of locks that will double the Canal's capacity. The increased capacity will result in more traffic through the canal and the ability to handle longer and wider ships. The expansion project is scheduled to be completed by 2014 or 2015 ([GTR, dated 10/08/09](#)).

Pacific Northwest Grain Inspections Rebound

Total **inspections of grain** (corn, wheat, and soybeans) from all major U.S. export regions for the week ending June 10 reached 1.33 million metric tons (mmt), down 4 percent from the past week and 3.1 percent below last year. The drop in inspections was due primarily to fewer shipments of wheat destined to Nigeria and Asia. Despite the decrease in overall grain inspections, Pacific Northwest (PNW) inspections (.428 mmt) rebounded, increasing 13 percent from the past week and 39 percent from last year. PNW soybean inspections, down for the past two weeks, also rebounded due to increased shipments to China. Overall, inspections of soybeans at all major ports increased 34 percent from the past week.

Snapshots by Sector

Rail

U.S. railroads originated 17,777 **carloads of grain** during the week ending June 5, down 10 percent from the previous week, up 8 percent from the same week last year, and 9 percent lower than the 3-year average.

During the week ending June 12, average June **secondary railcar bids/offers** were \$63 below tariff for non-shuttle, \$67 lower than last week. Shuttle rates were \$425 below tariff, \$92 lower than last week.

Ocean

During the week ending June 10, 36 **ocean-going grain vessels** were loaded in the Gulf, up 9 percent from last year. Forty-eight vessels are expected to be loaded in the U.S. Gulf within the next 10 days, 20 percent from last year.

During the week ending June 11, the cost of shipping grain from the Gulf to Japan averaged \$68.50 per mt, down 2 percent from the previous week. The rate from the Pacific Northwest to Japan was \$37 per mt, down 3 percent from the previous week.

Barge

During the week ending June 12, **barge grain movements** totaled 761,419 tons, 3 percent lower than the previous week and 9 percent lower than the same period last year.

Feature Article/Calendar

Contract vs. Tariff Rate Shipments of Grain and Oilseeds in 2008

Agricultural shippers rely on rail transportation service to reach many types of markets, from feedlots and processing facilities to distant ports for export. Shippers pay public tariff rates for rail service or negotiate contracts with railroads.

With the passage of the Staggers Act in 1980, railroads were allowed to enter into contracts with shippers. By 1986, an estimated 63 percent of grain moved under contract.¹ In the same year, new disclosure rules required railroads to report essential terms of their contracts with grain shippers to the Interstate Commerce Commission, the predecessor of the Surface Transportation Board (STB). Since then, the percent of grain shipped under contract has declined, yet a substantial portion of the total traffic is still based on contracted terms.

Contracts are important to shippers for two reasons: first, the rates and terms of service specified in a contract are not subject to the same oversight by the STB as tariff rates. Second, contracts can mitigate the ability of railroads to fulfill their common carrier obligations. As common carriers, railroads must respond to all reasonable requests for service. Yet, a railroad could, for example, commit all of its covered hoppers to shippers with whom it has contracts. If another shipper then requested service, the railroad would be unable to furnish a car for the shipment.

Table A. Waybill Sample 2008, Grain and Oilseed Summary

		Total Distance	Trailer Container Count	Tons	Carloads
Tariff	Total	10,377,569.7	120.0	132,831,893.0	1,288,415.0
	Average	1,023.0	0.0	4,344.8	41.1
	Percentage	53.4	0.1	75.8	71.1
Contract	Total	9,045,758.6	122,200.0	42,519,552.0	522,951.0
	Average	1,366.8	18.5	1,481.5	15.2
	Percentage	46.6	99.9	24.3	28.9

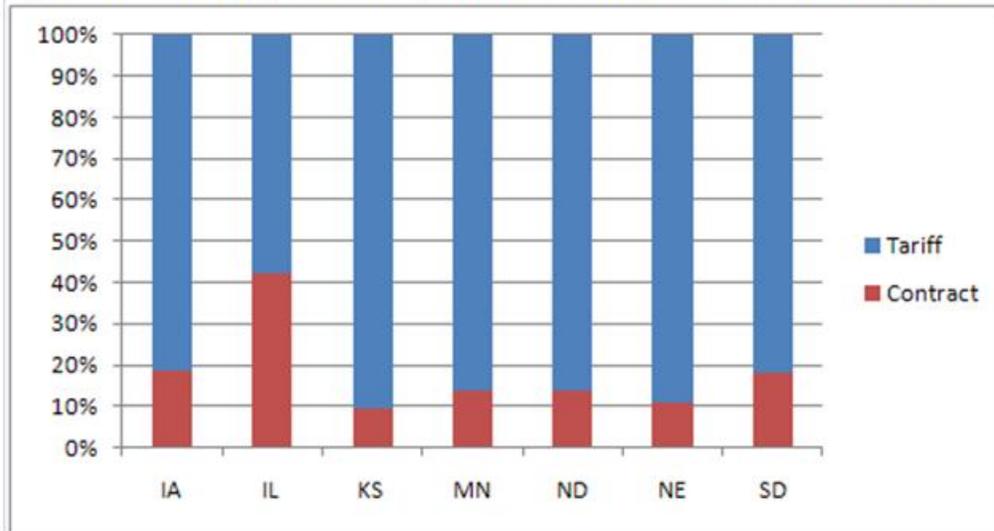
Source: 2008 STB Waybill Sample

In 2008, 76 percent of grain and oilseeds tonnage moved under tariff rates; only 24 percent moved under contract (see table A). By contrast, 75 percent of coal tonnage was moved under contract rates during the same year. For grain and oilseeds movements, shipments under contract were smaller in both tonnage and number of carloads. The average contract movement carried almost 3,000 fewer tons than the average tariff movement and had 26 fewer cars. Contract movements also were longer hauls, averaging approximately 1,300 miles compared to the 1,000 miles the average tariff movement traveled. The greater average length of contract movements is largely accounted for by the overwhelming percentage—99.9 %—of intermodal containers that moved under contract. These container shipments, which usually originate or terminate at ports, move longer distances.

The locations where grain shipments originate also influence the percentage traveling under contract. Most contract shipments were concentrated in the eastern Corn Belt, whereas tariff rate shipments predominated in the Midwest and northern States (see figure B). Of the top seven grain-producing States, 42 percent of shipments from Illinois are contract movements (see figure A). The other States shipped less than 20 percent of their originating grain through contract rates in 2008.

¹ Fuller, Stephen W., Fred J. Ruppel, and David A. Bessler. "Effect of Contract Disclosure on Price: Railroad Grain Contracting in the Plains." *Western Journal of Agricultural Economics*. 15.2 (1990): 265-271.

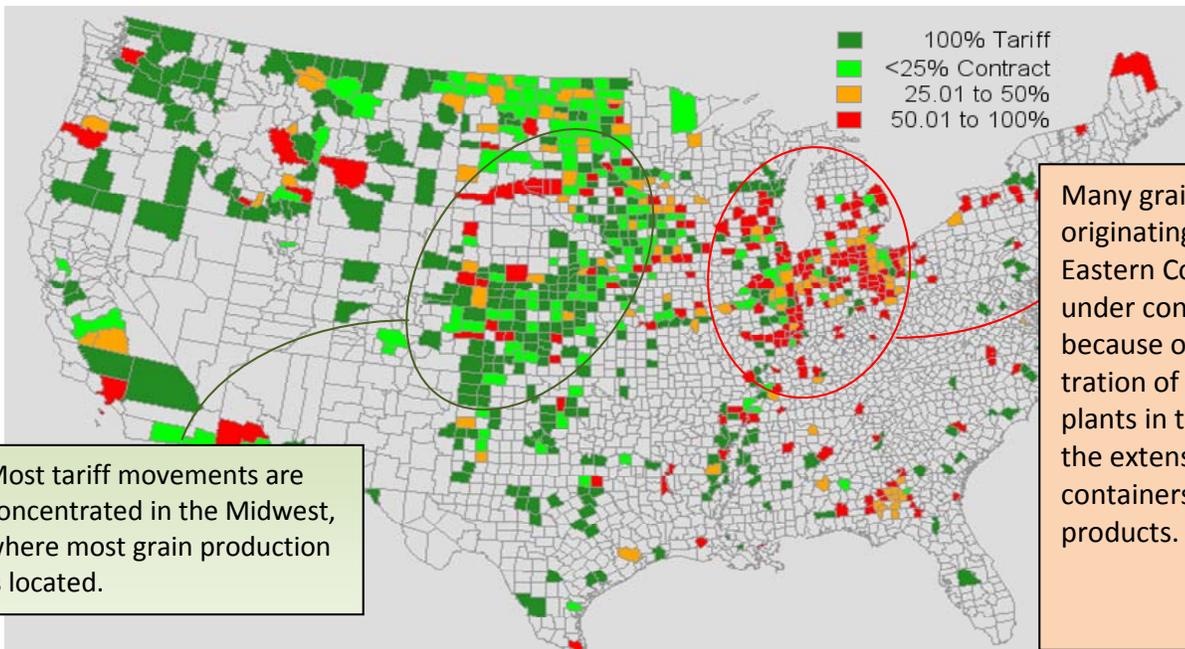
Figure A: Percent of Tonnage moved under Tariff vs. Contract by origin state



source: 2008 STB Waybill Sample

Contract and tariff shipments were differentiated by three factors: size, the distance traveled and the origination state. Contract movements were smaller than tariff shipments, but were longer. Most contract movements originated in the eastern Corn Belt. These differences are also explained by the large percentage of intermodal shipments that moved under contract rates.

Figure B: Percent of Grain and Oilseed Tonnage moved under tariff by county



Most tariff movements are concentrated in the Midwest, where most grain production is located.

Many grain shipments originating in the Eastern Corn Belt travel under contract, perhaps because of the concentration of processing plants in the region and the extensive use of containers to move grain products.

Data Source: 2008 STB Waybill Sample

Transportation Services Division

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Rail Transportation

Table 3

Rail Deliveries to Port (carloads)¹

Week ending	Mississippi		Cross-Border	Pacific	Atlantic &	Total
	Gulf	Texas Gulf	Mexico	Northwest	East Gulf	
6/09/2010 ^p	n/a	935	909	3,142	136	5,122
6/02/2010 ^r	208	715	617	3,154	252	4,946
2010 YTD	7,528	31,054	21,214	77,124	17,070	153,990
2009 YTD	13,028	20,250	18,584	72,712	12,184	136,758
2010 YTD as % of 2009 YTD	58	153	114	106	140	113
Last 4 weeks as % of 2009 ²	71	117	115	176	43	134
Last 4 weeks as % of 4-year avg. ²	29	59	113	86	54	78
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2009 and prior 4-year average.

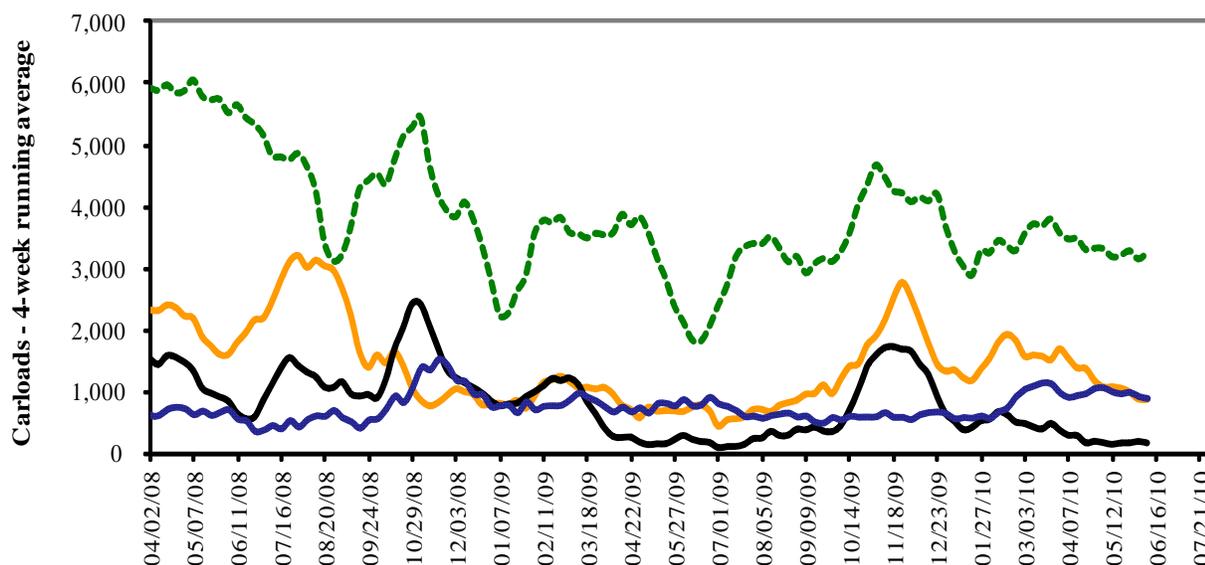
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMSUSDA

Railroads originate approximately 35 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



----- Pacific Northwest: 4 Wks. ending 6/09-- up 76% from same period last year; down 14% from 4-year average
----- Texas Gulf: 4 wks. ending 6/09-- up 17% from same period last year; down 41% from 4-year average
----- Miss. River: 4 wks. ending 6/09 -- down 29% from same period last year; down 71% from 4-year average
----- Cross-border Mexico: 4 wks. ending 6/09 -- up 15% from same period last year; up 13% from 4-year average

Source: Transportation & Marketing Programs/AMSUSDA

Table 4

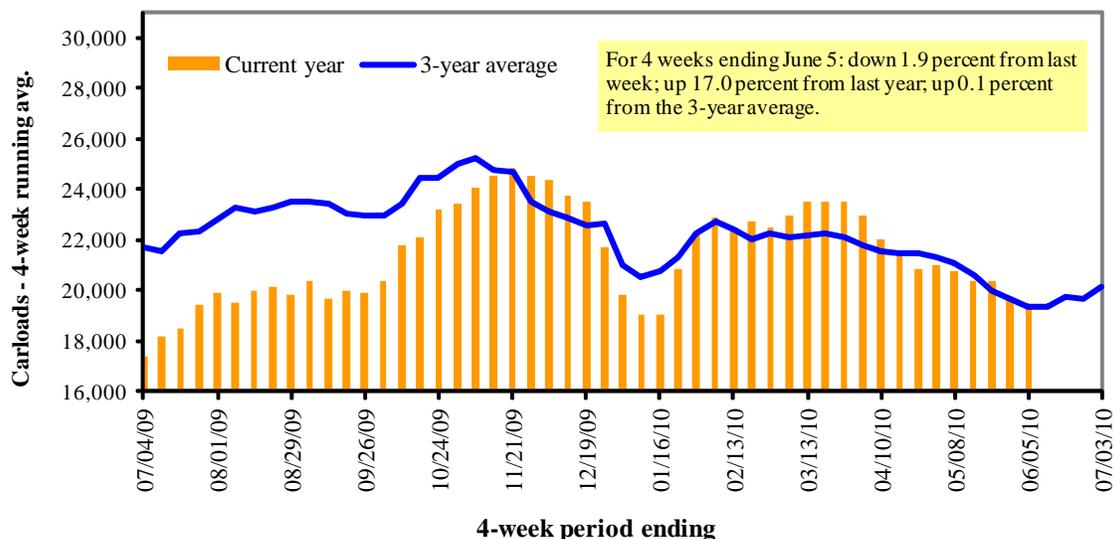
Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
06/05/10	2,135	2,758	7,496	445	4,943	17,777	3,653	4,090
This week last year	1,711	2,575	6,902	440	4,798	16,426	4,236	5,401
2010 YTD	50,039	67,383	224,498	16,636	116,912	475,468	89,101	117,537
2009 YTD	48,461	56,546	187,475	15,331	102,546	410,359	90,002	117,367
2010 YTD as % of 2009 YTD	103	119	120	109	114	116	99	100
Last 4 weeks as % of 2009 ¹	126	111	123	113	107	117	106	99
Last 4 weeks as % of 3-yr avg. ¹	93	97	104	109	97	100	91	98
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

¹As a percent of the same period in 2008 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings

Source: Association of American Railroads

Table 5

Rail Car Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
	Jun-10	Jun-09	Jul-10	Jul-09	Aug-10	Aug-09	Sep-10	Sep-09
BNSF ³								
COT grain units	0	no offer	no bids	no bids	0	1	no offer	0
COT grain single-car ⁵	0 .. 15	no offer	0 .. 8	0 .. 4	0 .. 30	0 .. 4	35 .. 45	0 .. 1
UP ⁴								
GCAS/Region 1	1	no offer	no bids	no bids	no bids	no bids	n/a	no offer
GCAS/Region 2	no bids	no offer	no bids	no bids	no bids	no bids	n/a	no offer

¹Auction offerings are for single-car and unit train shipments only.

²Average premium/discount to tariff, last auction

³BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

⁴UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

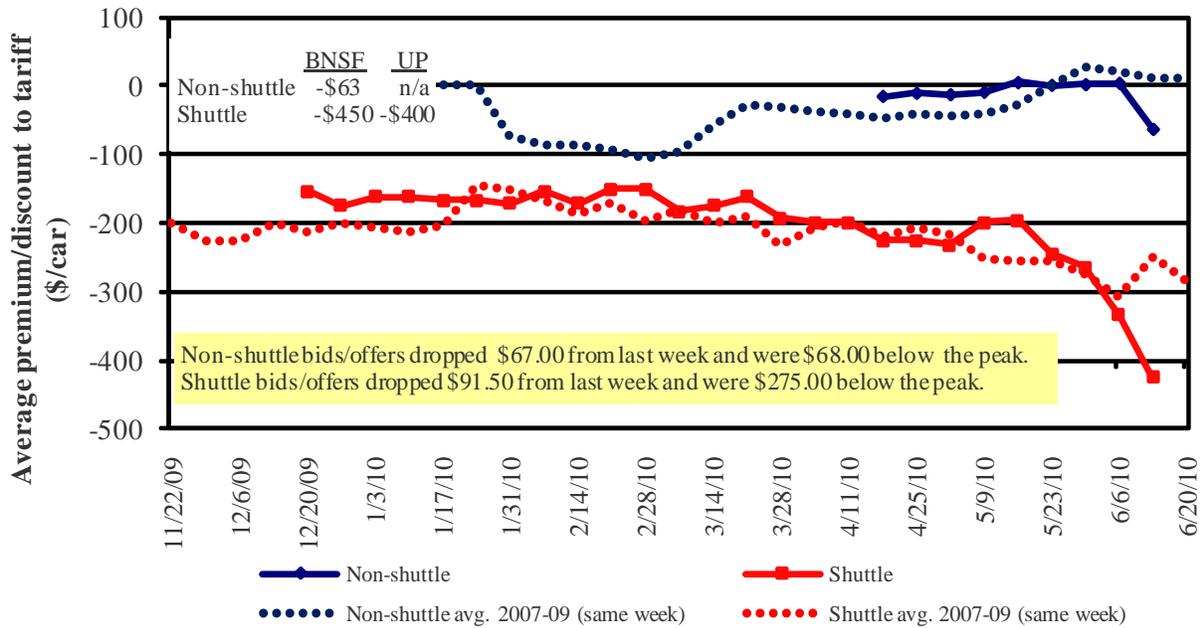
⁵Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in June 2010, Secondary Market

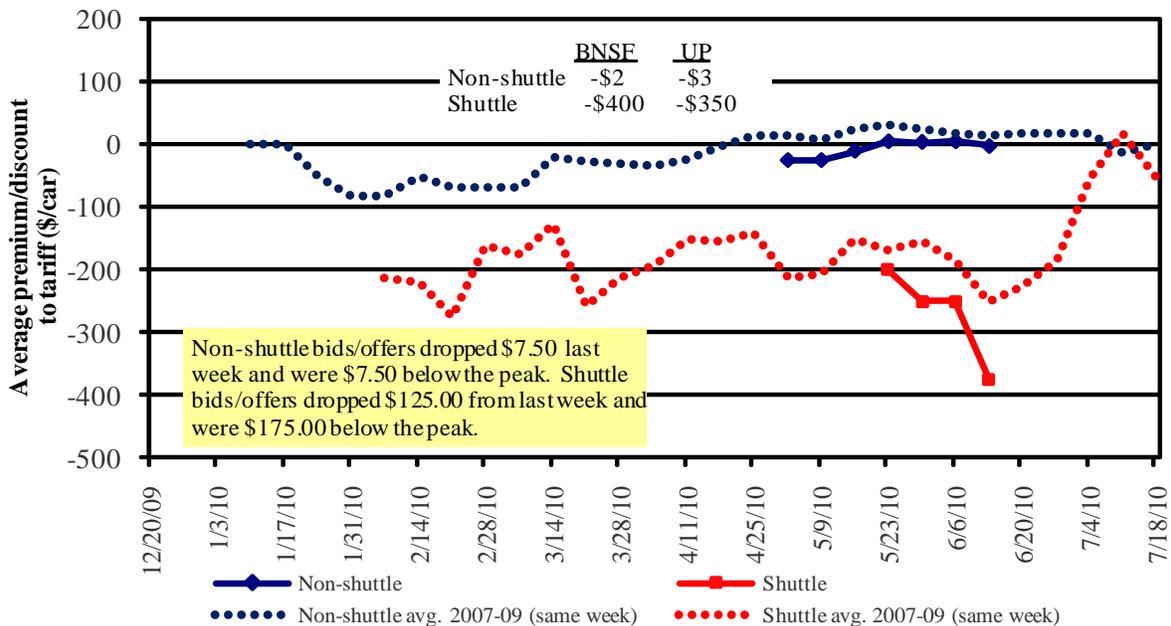


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in July 2010, Secondary Market

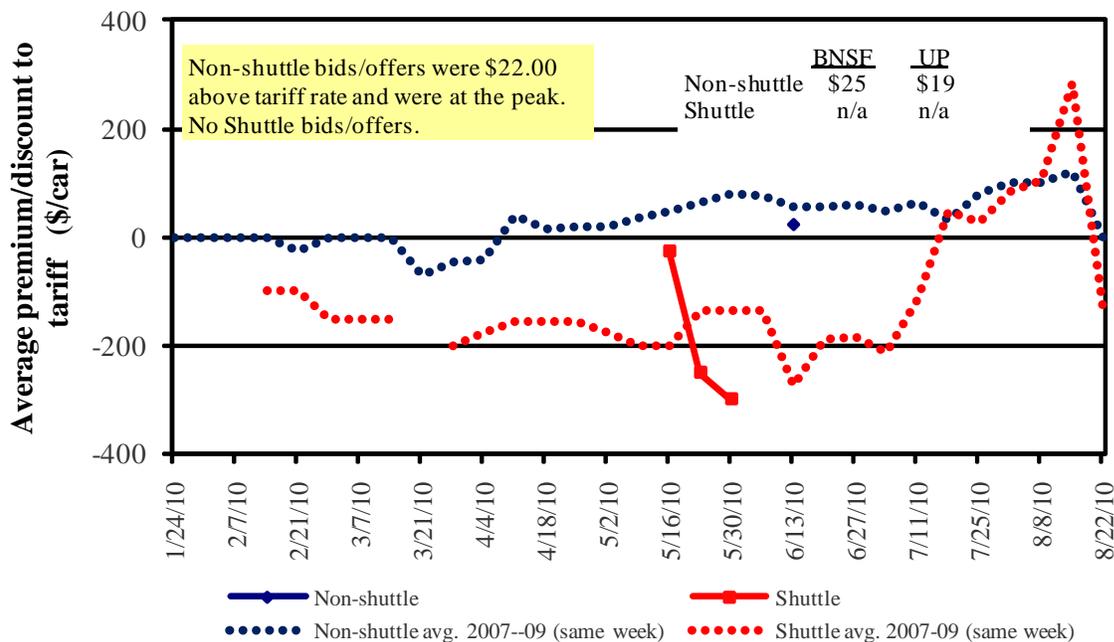


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in August 2010, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market (\$/car)¹

Week ending	Delivery period					
	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
Non-shuttle						
BNSF-GF	-63	-2	25	n/a	n/a	n/a
Change from last week	-63	-4	n/a	n/a	n/a	n/a
Change from same week 2009	-29	19	n/a	n/a	n/a	n/a
UP-Pool	n/a	-3	19	63	n/a	n/a
Change from last week	n/a	-11	n/a	n/a	n/a	n/a
Change from same week 2009	n/a	-9	11	n/a	n/a	n/a
Shuttle²						
BNSF-GF	-450	-400	n/a	225	n/a	n/a
Change from last week	-83	n/a	n/a	225	n/a	n/a
Change from same week 2009	-350	-333	n/a	n/a	n/a	n/a
UP-Pool	-400	-350	-300	-150	n/a	n/a
Change from last week	-100	-100	-50	n/a	n/a	n/a
Change from same week 2009	-200	-225	n/a	n/a	n/a	n/a

¹Average premium/discount to tariff, \$/car-last week

²Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:		Origin region	Destination region	Tariff rate/car	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y ³
6/1/2010	metric ton					bushel ²		
<u>Unit train¹</u>								
Wheat	Chicago, IL	Albany, NY	\$2,622	\$159	\$30.65	\$0.83	10	
	Kansas City, MO	Galveston, TX	\$2,828	\$165	\$32.99	\$0.90	18	
	South Central, KS	Galveston, TX	\$3,805	\$323	\$45.50	\$1.24	16	
	Minneapolis, MN	Houston, TX	\$3,799	\$654	\$49.09	\$1.34	14	
	St. Louis, MO	Houston, TX	\$3,715	\$160	\$42.71	\$1.16	17	
	South Central, ND	Houston, TX	\$5,478	\$727	\$68.40	\$1.86	10	
	Minneapolis, MN	Portland, OR	\$4,200	\$795	\$55.06	\$1.50	14	
	South Central, ND	Portland, OR	\$4,200	\$653	\$53.49	\$1.46	13	
	Northwest, KS	Portland, OR	\$5,100	\$869	\$65.80	\$1.79	10	
	Chicago, IL	Richmond, VA	\$2,834	\$237	\$33.85	\$0.92	18	
Corn	Chicago, IL	Baton Rouge, LA	\$2,925	\$202	\$34.47	\$0.88	0	
	Council Bluffs, IA	Baton Rouge, LA	\$3,020	\$216	\$35.67	\$0.91	0	
	Kansas City, MO	Dalhart, TX	\$3,284	\$236	\$38.80	\$0.99	3	
	Minneapolis, MN	Portland, OR	\$3,609	\$795	\$48.54	\$1.23	9	
	Evansville, IN	Raleigh, NC	\$3,204	\$231	\$37.87	\$0.96	12	
	Columbus, OH	Raleigh, NC	\$3,093	\$202	\$36.32	\$0.92	12	
	Council Bluffs, IA	Stockton, CA	\$4,900	\$859	\$63.48	\$1.61	-2	
Soybeans	Chicago, IL	Baton Rouge, LA	\$3,178	\$202	\$37.26	\$1.01	6	
	Council Bluffs, IA	Baton Rouge, LA	\$3,192	\$216	\$37.57	\$1.02	7	
	Minneapolis, MN	Portland, OR	\$4,110	\$795	\$54.07	\$1.47	13	
	Evansville, IN	Raleigh, NC	\$3,204	\$231	\$37.87	\$1.03	12	
	Chicago, IL	Raleigh, NC	\$3,804	\$288	\$45.10	\$1.23	11	
<u>Shuttle Train</u>								
Wheat	St. Louis, MO	Houston, TX	\$2,972	\$160	\$34.52	\$0.94	19	
	Minneapolis, MN	Portland, OR	\$3,700	\$795	\$49.55	\$1.35	13	
Corn	Fremont, NE	Houston, TX	\$2,520	\$481	\$33.08	\$0.84	8	
	Minneapolis, MN	Portland, OR	\$3,528	\$795	\$47.65	\$1.21	14	
Soybeans	Council Bluffs, IA	Houston, TX	\$2,787	\$466	\$35.86	\$0.98	7	
	Minneapolis, MN	Portland, OR	\$3,774	\$795	\$50.36	\$1.37	16	

¹A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of 75-110 cars that meet railroad efficiency requirements.

²Approximate load per car = 100 short tons (90.72 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

³Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

Effective date: 6/7/2010

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y ³
					metric ton	bushel ²	
Wheat	MT	Chihuahua, CI	\$6,291	\$740	\$71.84	\$1.95	12
	OK	Cautitlan, EM	\$5,857	\$587	\$65.84	\$1.79	14
	KS	Guadalajara, JA	\$6,438	\$607	\$71.97	\$1.96	15
	TX	Salinas Victoria, NL	\$3,292	\$197	\$35.65	\$0.97	13
Corn	IA	Guadalajara, JA	\$6,670	\$704	\$75.34	\$2.05	11
	SD	Penjamo, GJ	\$6,440	\$968	\$75.69	\$2.06	9
	NE	Queretaro, QA	\$6,130	\$586	\$68.62	\$1.87	6
	SD	Salinas Victoria, NL	\$4,570	\$736	\$54.21	\$1.47	3
	MO	Tlalnepantla, EM	\$5,318	\$570	\$60.17	\$1.64	7
	SD	Torreon, CU	\$5,330	\$811	\$62.74	\$1.71	7
Soybeans	MO	Bojay (Tula), HG	\$6,066	\$606	\$68.17	\$1.85	10
	NE	Guadalajara, JA	\$6,550	\$695	\$74.03	\$2.01	12
	IA	Penjamo (Celaya), GJ	\$6,690	\$962	\$78.18	\$2.13	16
	KS	Torreon, CU	\$5,255	\$461	\$58.40	\$1.59	10
Sorghum	OK	Cautitlan, EM	\$4,339	\$735	\$51.84	\$1.41	8
	TX	Guadalajara, JA	\$5,350	\$630	\$61.10	\$1.66	16
	NE	Penjamo, GJ	\$6,395	\$638	\$71.86	\$1.95	9
	KS	Queretaro, QA	\$5,398	\$450	\$59.75	\$1.62	4
	NE	Salinas Victoria, NL	\$4,282	\$463	\$48.48	\$1.32	4
	NE	Torreon, CU	\$5,240	\$525	\$58.90	\$1.60	8

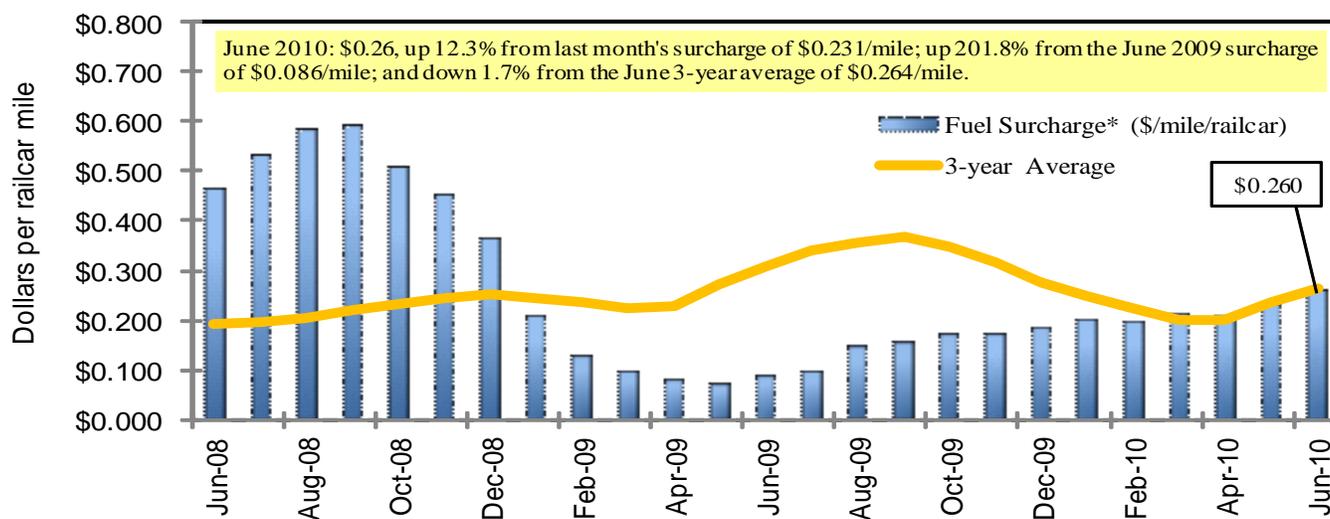
¹Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

²Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

³Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.uprr.com, www.kcsouthern.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹

¹ Weighted by each Class I railroad's proportion of grain traffic for the prior year.

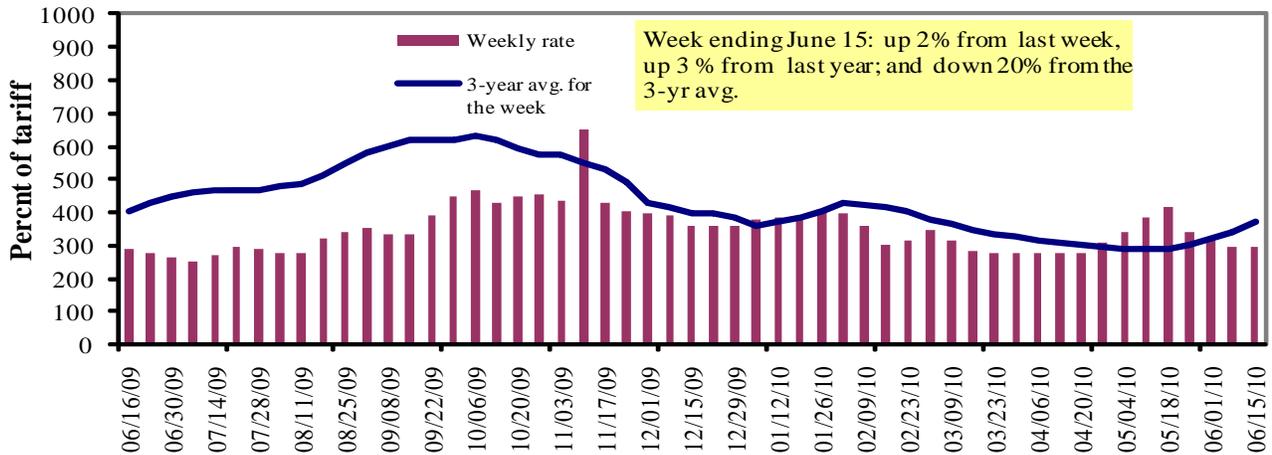
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Freight Rate^{1,2}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	6/15/2010	363	303	299	201	258	258	190
	6/8/2010	363	299	294	199	261	261	189
\$/ton	6/15/2010	22.47	16.12	13.87	8.02	12.10	10.42	5.97
	6/8/2010	22.47	15.91	13.64	7.94	12.24	10.54	5.93
Current week % change from the same week:								
	Last year	3	0	3	0	26	26	5
	3-year avg. ²	-15	-21	-20	-30	-13	-13	-30
Rate¹	July	371	319	315	228	289	289	221
	September	529	519	519	495	521	521	489

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:

$(\text{Index} * 1976 \text{ tariff benchmark rate per ton}) / 100$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Figure 9
Benchmark tariff rates

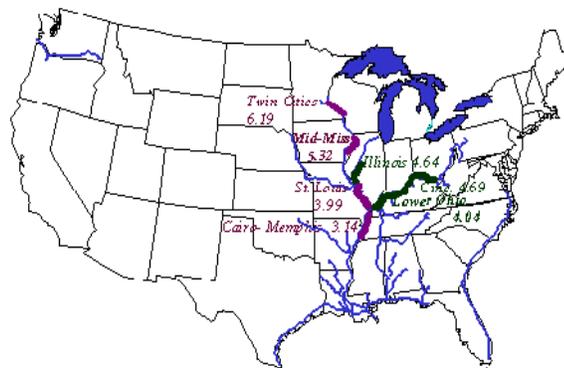
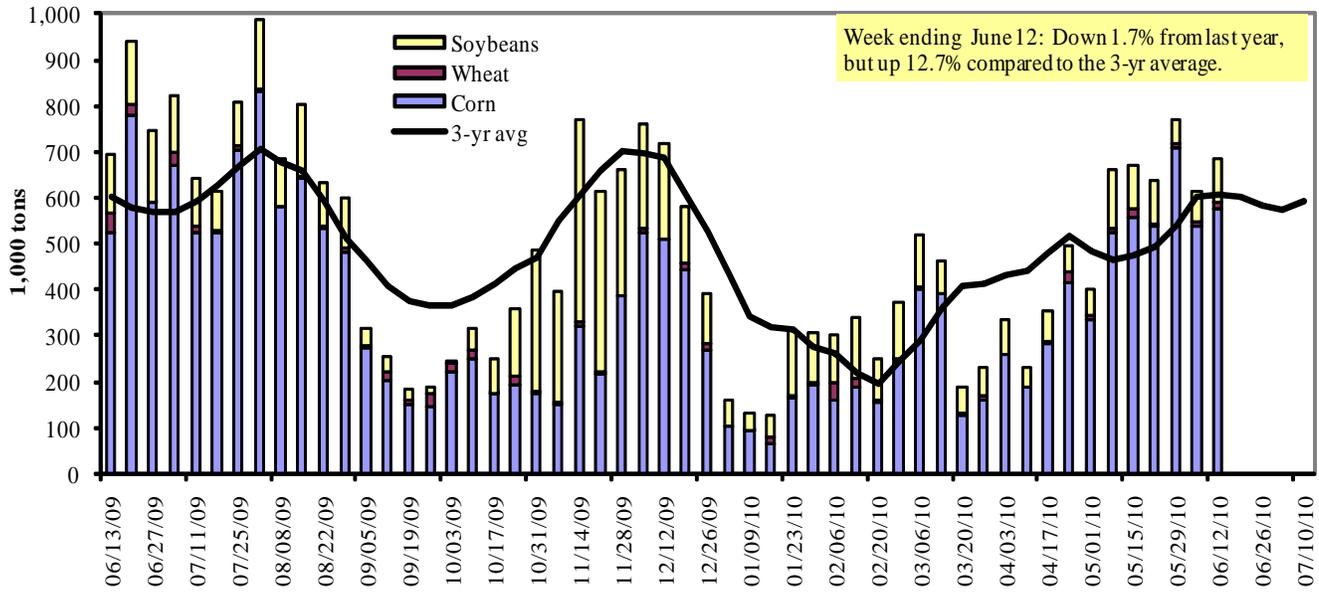


Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)



¹ The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrirmi/omni/webbrpts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 6/12/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	235	14	41	5	295
Winfield, MO (L25)	320	14	43	5	382
Alton, IL (L26)	578	14	91	5	688
Granite City, IL (L27)	577	14	94	5	690
Illinois River (L8)	214	5	45	0	264
Ohio River (L52)	28	4	12	5	48
Arkansas River (L1)	0	11	11	1	24
Weekly total - 2010	605	28	117	12	761
Weekly total - 2009	570	68	189	7	835
2010 YTD ¹	10,230	493	4,048	220	14,990
2009 YTD	10,192	583	4,389	199	15,363
2010 as % of 2009 YTD	100	85	92	110	98
Last 4 weeks as % of 2009 ²	128	64	52	136	105
Total 2009	23,424	1,501	10,465	430	35,819

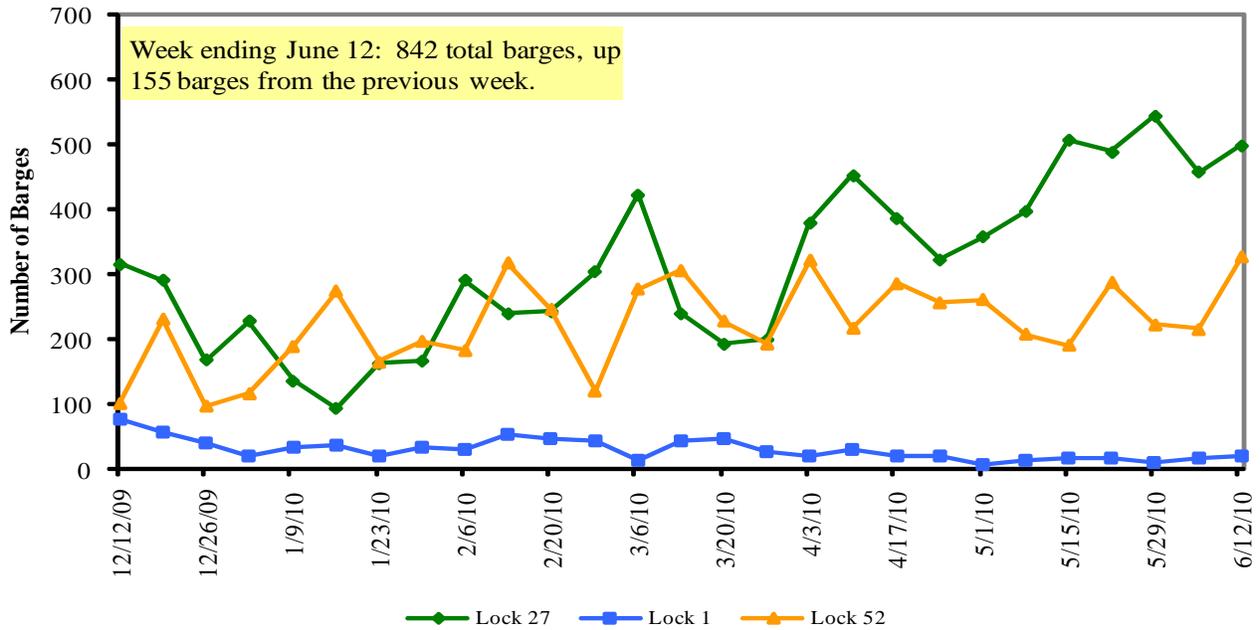
¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

² As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

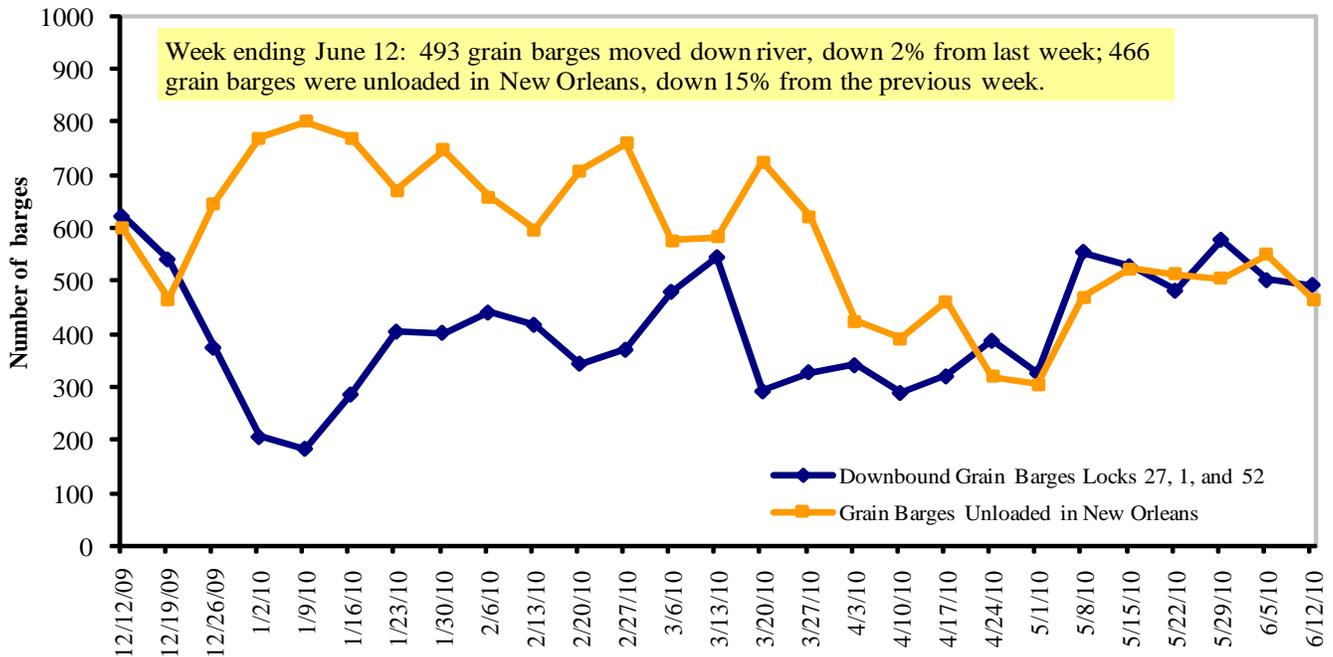
Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrirmi/omni/webbrpts/default.asp)

Figure 11
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12
Grain Barges for Export in New Orleans Region



Source: U.S. Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices¹, Week Ending 6/14/2010 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.949	-0.024	0.348
	New England	3.025	-0.020	0.374
	Central Atlantic	3.067	-0.023	0.371
	Lower Atlantic	2.892	-0.024	0.336
II	Midwest ²	2.892	-0.012	0.346
III	Gulf Coast ³	2.874	-0.025	0.331
IV	Rocky Mountain	2.989	-0.031	0.469
V	West Coast	3.054	-0.004	0.399
	California	3.068	0.000	0.334
Total	U.S.	2.928	-0.018	0.356

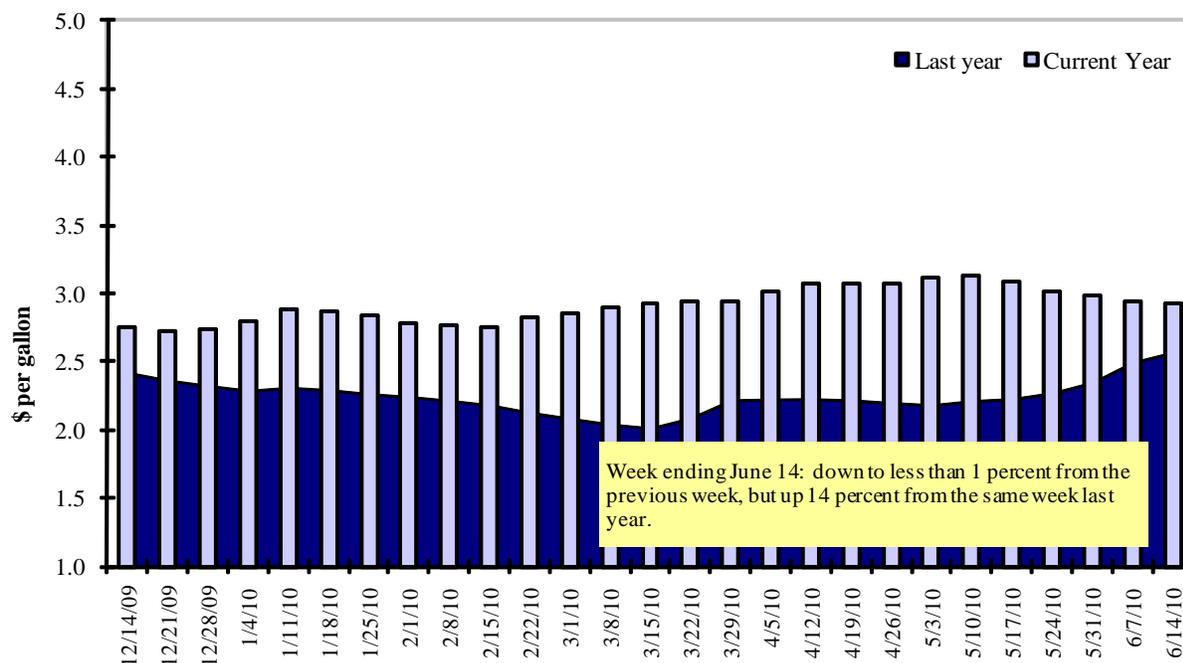
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

²Same as North Central ³Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

Week ending	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances¹									
6/3/2010	1,462	470	966	898	231	4,028	10,369	2,419	16,816
This week year ago	1,074	462	801	888	186	3,410	9,475	4,081	16,966
Cumulative exports-marketing year²									
2009/10 YTD	71	43	14	12	6	146	35,474	36,432	72,052
2008/09 YTD	62	0	5	9	0	76	32,147	29,595	61,818
YTD 2009/10 as % of 2008/09	115	n/a	280	133	n/a	192	110	123	117
Last 4 wks as % of same period 2008/09	73	66	67	51	64	64	115	55	90
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981
2007/08 Total	13,709	5,568	7,842	4,191	1,075	32,385	59,666	30,411	122,462

¹ Current unshipped export sales to date

² Shipped export sales to date; the new marketing year begins for wheat

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers¹ of U.S. Corn

Week ending 06/03/10	Total Commitments ²			% change current MY from last MY	Exports ³ 2008/09
	2010/11	2009/10	2008/09		
	Next MY	Current MY	Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	121	13,537	14,041	(4)	15,910
Mexico	668	7,670	6,824	12	7,454
Korea	118	7,415	4,407	68	5,129
Taiwan	0	2,862	3,136	(9)	3,198
Egypt	55	2,209	1,500	47	2,233
Top 5 importers	962	33,693	29,907	13	33,924
Total US corn export sales	1,357	45,843	41,622	10	45,214
% of Projected	3%	93%	88%		
Change from Last Week	144	1,019	713		
Top 5 importers' share of U.S. corn export sales	71%	73%	72%		
USDA forecast, June 2010	50,800	49,530	47,180	5	
Corn Use for Ethanol USDA forecast, Ethanol June 2010	119,380	114,300	93,396	22	

(n) indicates negative number.

¹ Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

² Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

³ FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week ending 06/03/10	Total Commitments ²			% change current MY from last MY	Exports ³ 2008/09
	2010/11 Next MY	2009/10 Current MY	2008/09 Last MY		
	- 1,000 mt -				- 1,000 mt -
China	2,974	22,136	18,414	20	18,681
Mexico	50	2,996	2,859	5	3,098
Japan	56	2,513	2,399	5	2,410
EU-25	0	2,698	2,178	24	2,180
Taiwan	0	1,489	1,454	2	1,592
Top 5 importers	3,080	31,832	27,304	17	27,961
Total US soybean export sales	3,762	38,850	33,675	15	
% of Projected	10%	98%	96%		
Change from last week	130	421	(61)		
Top 5 importers' share of U.S.					
soybean export sales	82%	82%	81%		
USDA forecast, June 2010	36,740	39,600	34,930	13	
Soybean Use for Biodiesel USDA					
forecast, June 2010	6,954	5,275	4,573	15	

(n) indicates negative number.

¹Based on FAS 2006/07 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 06/03/2010	Total Commitments ²		% change current MY from last MY	Exports ³ 2009/10
	2010/11 Current MY	2009/10 Last MY		
	- 1,000 mt -			- 1,000 mt -
Nigeria	722	323	124	3,233
Japan	487	236	106	3,148
Mexico	444	407	9	1,975
Philippines	637	439	45	1,518
Korea, South	325	306	6	1,111
Taiwan	73	121	(40)	844
Venezuela	94	55	70	658
Colombia	139	153	(9)	575
Peru	76	96	(21)	567
Indonesia	20	35	(43)	529
Top 10 importers	3,017	2,170	39	14,156
Total US wheat export sales	4,173	3,486	20	21,686
% of Projected	17%	14%		
Change from last week	1,101	3,486		
Top 10 importers' share of				
U.S. wheat export sales	72%	62%		
USDA forecast, June 2010	24,490	24,090	2	

(n) indicates negative number.

¹Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - Ma²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 06/10/10	2010 YTD ¹	2009 YTD ¹	2010 YTD as % of 2009 YTD	Last 4-weeks as % of		Total ¹ 2009
					2009	3-yr. avg.	
Pacific Northwest							
Wheat	158	4,656	4,482	104	80	94	10,091
Corn	205	4,412	3,465	127	152	92	8,498
Soybeans	65	4,327	3,743	116	99	31	9,743
Total	428	13,394	11,691	115	107	86	28,332
Mississippi Gulf							
Wheat	59	1,738	1,901	91	112	101	4,019
Corn	609	13,138	13,105	100	127	121	28,843
Soybeans	84	8,612	9,298	93	35	59	21,831
Total	752	23,488	24,304	97	99	107	54,693
Texas Gulf							
Wheat	132	3,454	2,345	147	115	97	5,735
Corn	0	918	711	129	450	289	1,968
Soybeans	0	667	472	141	n/a	n/a	2,402
Total	132	5,039	3,528	143	127	106	10,105
Great Lakes							
Wheat	18	217	101	214	2,605	171	990
Corn	0	31	53	58	56	28	353
Soybeans	0	0	54	0	0	0	781
Total	18	248	208	119	153	69	2,124
Atlantic							
Wheat	0	127	201	63	348	184	552
Corn	0	169	72	234	111	91	472
Soybeans	1	686	411	167	39	46	1,268
Total	1	981	684	143	107	96	2,292
U.S. total from ports²							
Wheat	368	10,192	9,030	113	100	99	21,387
Corn	814	18,667	17,407	107	133	112	40,134
Soybeans	149	14,292	13,978	102	39	50	36,025
Total	1,331	43,150	40,415	107	104	99	97,546

¹ Includes weekly revisions, some regional totals may not add exactly due to rounding.

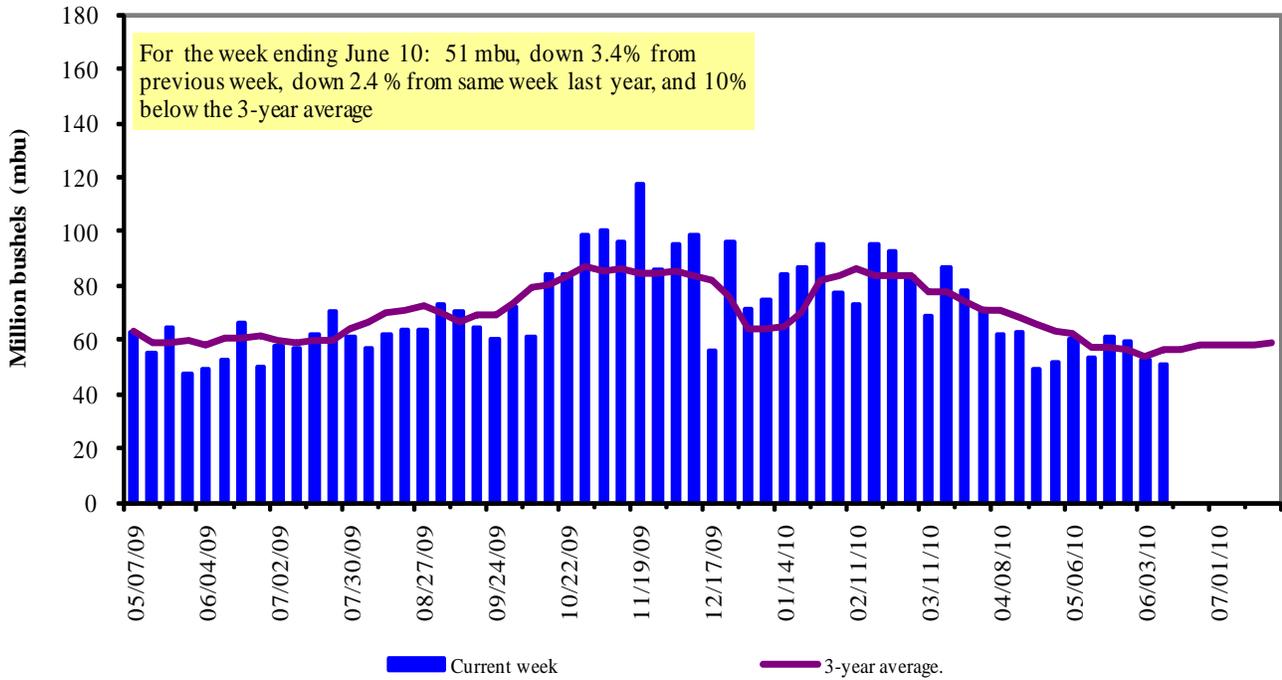
² Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 62 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2009.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

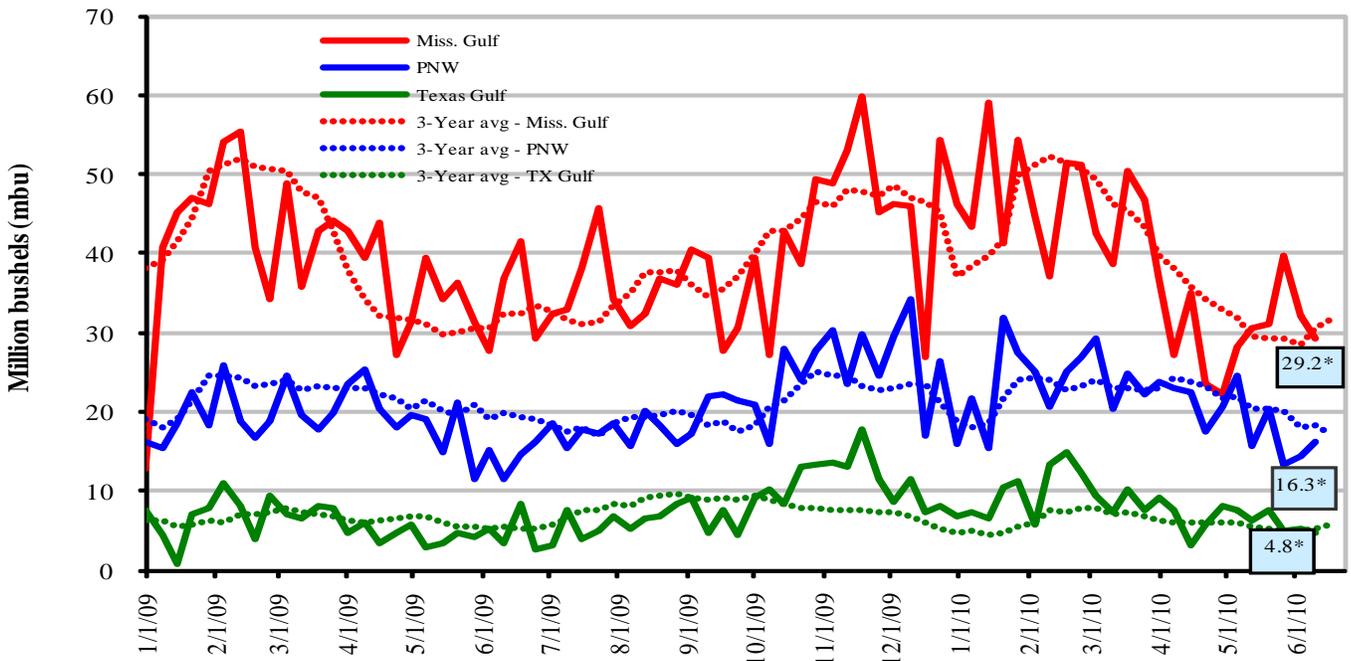


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW¹ (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

<u>June 10, % change from:</u>	<u>MS Gulf</u>	<u>TX Gulf</u>	<u>U.S. Gulf</u>	<u>PNW</u>
Last week	down 9	down 8	down 9	up 14
Last year (same week)	down 21	up 46	down 15	up 43
3-yr avg. (4-wk mov. avg.)	down 5	down 9	down 6	down 4.1

Ocean Transportation

Table 17

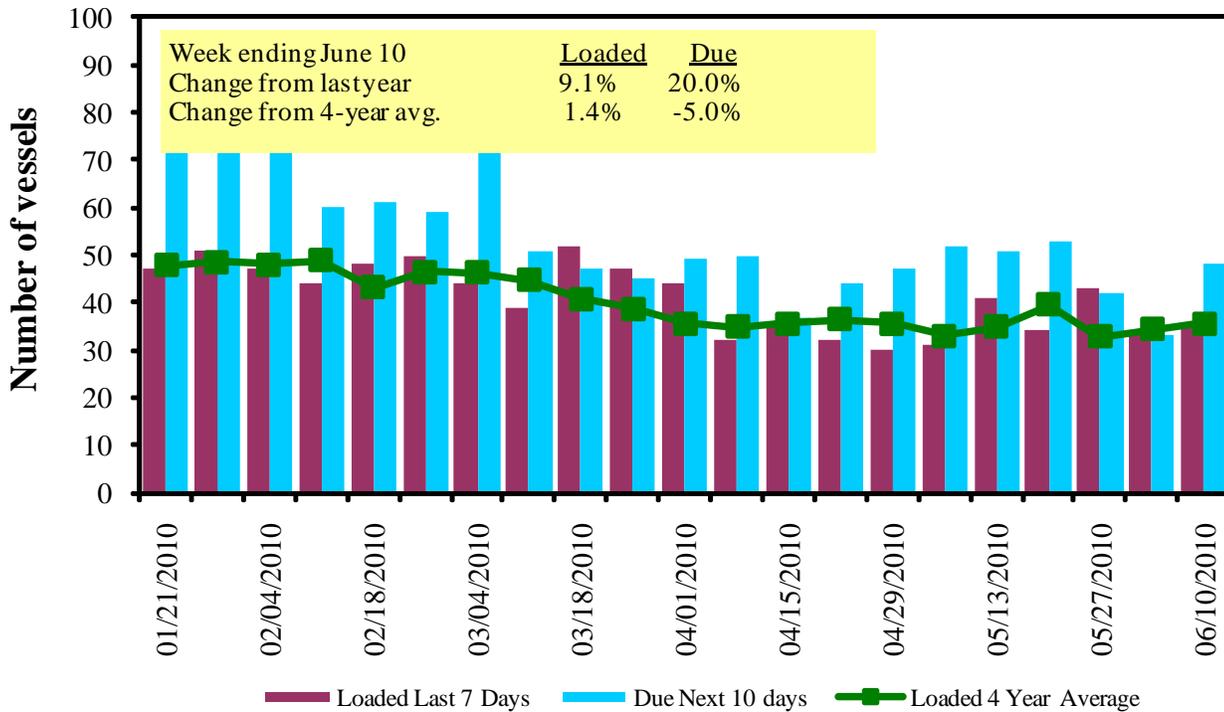
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
6/10/2010	15	36	48	5	15
6/3/2010	22	33	33	6	11
2009 range	(18..72)	(21..57)	(37..86)	(2..19)	(3..19)
2009 avg.	37	39	55	10	9

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

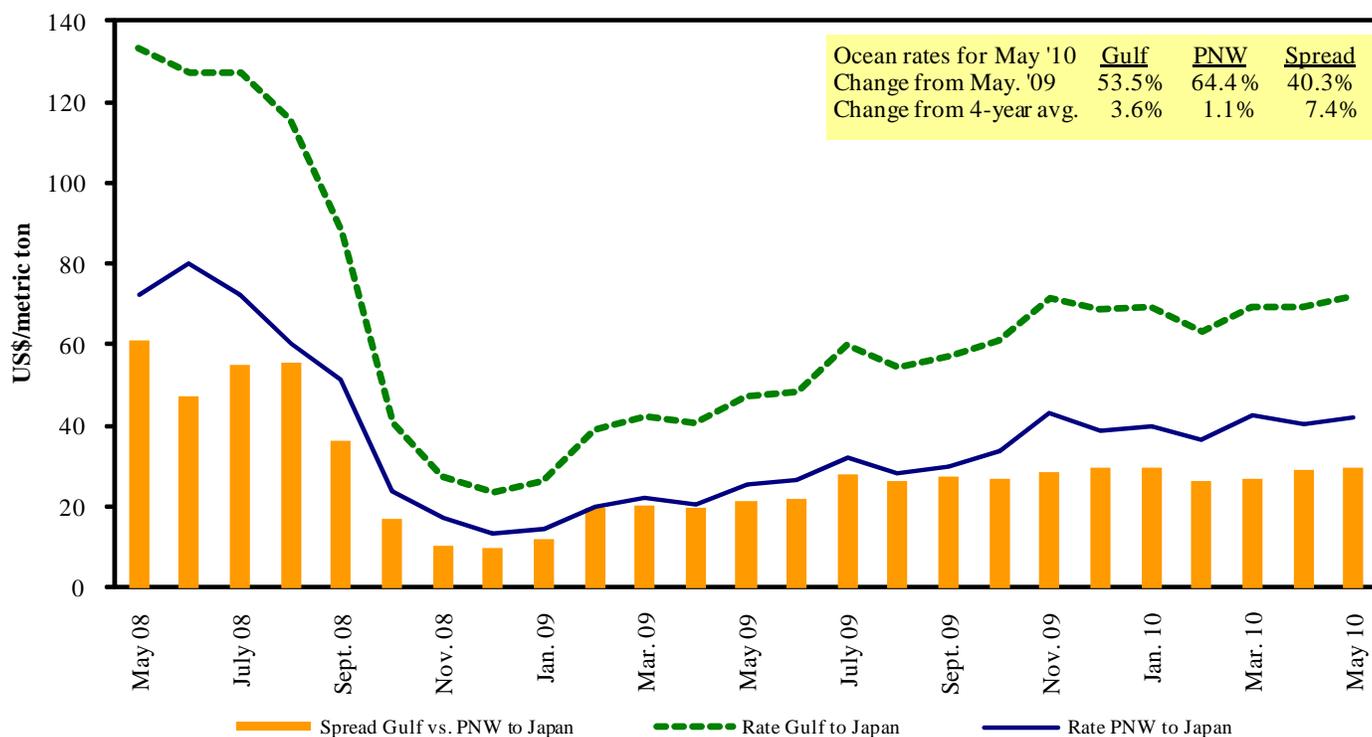


Source: Transportation & Marketing Programs/AMS/USDA

¹U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 6/12/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	Djibouti ¹	Wheat	Apr 5/15	23,000	134.65
U.S. Atlantic	Poland	Soybeans	Mar 9/15	24,000	50.00
U.S. Gulf	Morocco	Wheat	Mar 15/25	30,000	46.00
U.S. Gulf	Morocco	Wheat	Feb 25/28	30,000	41.00
U.S. Gulf	Morocco	Wheat	Feb 8/10	25,000	46.00
St. Lawrence	Morocco	Wheat	Apr 27/ May 5	21,000	38.75
Ukraine	Saudi Arabia	Barley	May 20/30	35,000	42.00
France	Algeria	Wheat	May 25/30	25,000	31.00
France	Algeria	Wheat	May 10/20	25,000	26.75
France	Algeria	Wheat	Apr 5/15	25,000	25.50
France	Algeria	Wheat	Jun 25/30	25,000	29.00
River Plate	Algeria	Soybeanmeal	May 28/31	25,000	69.00
River Plate	Denmark	Soybeanmeal	Apr 24/28	25,000	65.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

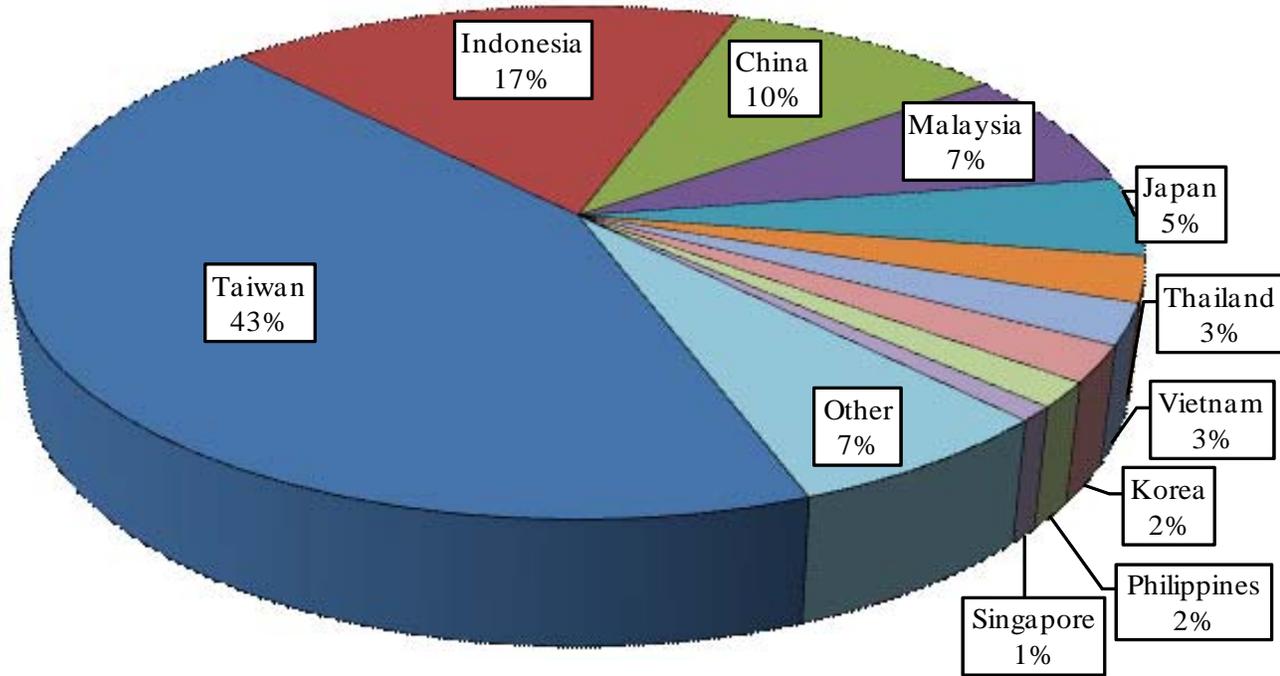
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

Source: Maritime Research Inc. (www.maritime-research.com)

In 2009, containers were used to transport 5 percent of total waterborne grain exports, and 6 percent of U.S. grain exports to Asia.

Figure 18

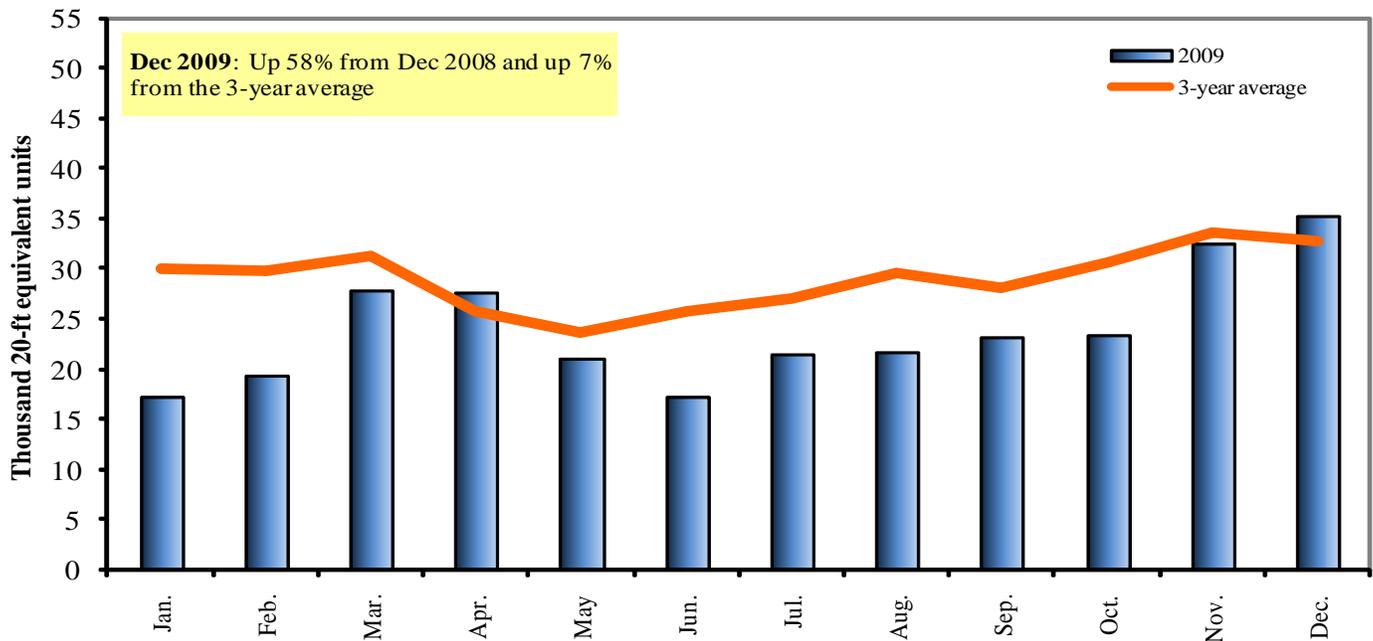
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009



Source: Port Import Export Reporting Service (PIERS)

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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